

NEWS RELEASE

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For Immediate Release

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Ronald J. Tenpas, United States Attorney for the Southern District of Illinois, announced today that on March 14, 2005, KATHLEEN L. LEWIS, age 45, of 6538 State Route 159, Edwardsville, Illinois, was sentenced in Federal Court in East St. Louis, Illinois to 5 months' imprisonment to be followed by 5 months home confinement with electronic monitoring as a condition of 2 years' supervised release. The defendant was also fined \$100.00 and ordered to pay a special assessment of \$100.00.

The sentence was entered after a plea to a one-count Information charging the defendant with Bankruptcy Fraud, in violation of Title 18, United States Code, Section 157. The violation took place on November 8, 2002, in Madison County, Illinois.

The conviction is the result of KATHLEEN L. LEWIS' conduct on November 8, 2002, when she produced a false and fictitious "Bankruptcy Court Order" which purported to allow Royal Thrones to retain possession of a pumper truck and purported to prohibit The Fairville Company from exercising its legal right to repossess the pumper truck. In fact no such order was ever entered and the defendant sent the false order to Fairville. as part of a bankruptcy fraud scheme to keep Royal Thrones in business. The defendant was a co-owner of Royal Thrones, a business which pumped waste out of portable toilets. In April of 2000 Royal Thrones purchased a pumper truck for approximately \$48,000.00 and financed the purchase through The Fairville Company. Royal Thrones' business began to fail and the company filed for Chapter 11 bankruptcy. After the Chapter 11 was dismissed for nonpayment and in response to attempts by Fairville to repossess the pumper truck, Lewis produced the fraudulent "Bankruptcy Court Order." The charge against Lewis resulted from a collaborative effort among federal enforcement agencies to combat fraud and abuse in the bankruptcy system. Members of the Southern Illinois Bankruptcy Fraud Working Group include representatives of the United States Attorney's Office for the Southern District of Illinois; Office of the United States Trustee for Indiana and Southern and Central Illinois (Region 10); Federal Bureau of Investigation; Internal Revenue Service/Criminal Investigations; United States Postal Inspector Service; Social Security Administration; and Health and Human Services, among others.

“Fraud on the bankruptcy courts in any manner threatens the integrity of the system and we are, therefore, strongly committed to seeing that where there is abuse, it is prosecuted to the fullest extent the law permits,” said United States Attorney Tenpas. Nancy J. Gargula, United States Trustee for Indiana and the Southern and Central Illinois (Region 10) stated, “Criminal bankruptcy fraud, such as filing a false and fraudulent bankruptcy order, threatens the integrity of the bankruptcy system as well as public confidence in the system. The Bankruptcy Fraud Working Group represents a united effort to combat fraud and abuse of the bankruptcy system. We very much appreciate United States Attorney Ronald Tenpas’ leadership and commitment to this goal.” The United States Trustee Program is the component of the Justice Department that protects the integrity of the bankruptcy system by overseeing case administration and litigating to enforce the bankruptcy laws.

The case was prosecuted by Assistant United States Attorney, Robert L. Simpkins.